

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

TKO FARMS, INC, a private
Wyoming Corporation; AGRAVITAE,
INC., a private Wyoming Corporation;
KENNETH DEWAYNE OWEN, an
individual; REYNALDO AGUILAR
(JR.), an individual; JAMES BRIAN
BLAYLOCK, an individual; ROSS
GREGORY ERSKINE, an individual,
and the ESTATE OF GILBERT
ALLAN PENHOLLOW,

Defendants,

and

FREELIFE LOGISTICS LLC, a
private Wyoming Limited Liability
Company; PERSONAL GROUP, LLC,
a private Nevada Limited Liability
Company; SIGNATURE ONE
CAPITAL INC, a private Nevada
Corporation; and STORBER, LLC, a
private California Limited Liability
Company,

Relief Defendants.

Case No. 8:22-cv-00941-AH (KESx)

**FINAL JUDGMENT AS TO
DEFENDANT KENNETH DEWAYNE
OWEN**

NOTE CHAGES MADE BY COURT

1 The Court, having granted Plaintiff Securities and Exchange Commission's
2 ("SEC" or "Commission") Motion for Summary Judgment ("Motion") pursuant to
3 Rule 56 of the Federal Rules of Civil Procedure (Dkt. 122), and having granted, in
4 part, and denied, in part, the SEC's Motion for Remedies (Dkt. 205), imposes on
5 Defendant Kenneth Dewayne Owen ("Defendant") the following final judgment
6 consistent with those rulings.

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
9 permanently restrained and enjoined from violating, directly or indirectly, Section
10 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §
11 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
12 any means or instrumentality of interstate commerce, or of the mails, or of any
13 facility of any national securities exchange, in connection with the purchase or sale of
14 any security:

- 15 (a) to employ any device, scheme, or artifice to defraud;
16 (b) to make any untrue statement of a material fact or to omit to state a
17 material fact necessary in order to make the statements made, in the light of the
18 circumstances under which they were made, not misleading; or
19 (c) to engage in any act, practice, or course of business which operates or
20 would operate as a fraud or deceit upon any person.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
22 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
23 binds the following who receive actual notice of this Final Judgment by personal
24 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
25 attorneys; and (b) other persons in active concert or participation with Defendant or
26 with anyone described in (a).

27 **II.**

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
2 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale
3 of any security by the use of any means or instruments of transportation or
4 communication in interstate commerce or by use of the mails, directly or indirectly:

5 (a) to employ any device, scheme, or artifice to defraud;

6 (b) to obtain money or property by means of any untrue statement of a
7 material fact or any omission of a material fact necessary in order to make the
8 statements made, in light of the circumstances under which they were made, not
9 misleading; or

10 (c) to engage in any transaction, practice, or course of business which
11 operates or would operate as a fraud or deceit upon the purchaser.

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
13 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
14 binds the following who receive actual notice of this Final Judgment by personal
15 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
16 attorneys; and (b) other persons in active concert or participation with Defendant or
17 with anyone described in (a).

18 **III.**

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
20 Defendant is permanently restrained and enjoined from violating Section 5 of the
21 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
22 applicable exemption:

23 (a) Unless a registration statement is in effect as to a security, making
24 use of any means or instruments of transportation or communication in interstate
25 commerce or of the mails to sell such security through the use or medium of any
26 prospectus or otherwise;

27 (b) Unless a registration statement is in effect as to a security,
28 carrying or causing to be carried through the mails or in interstate commerce, by any

1 means or instruments of transportation, any such security for the purpose of sale or
2 for delivery after sale; or

3 (c) Making use of any means or instruments of transportation or
4 communication in interstate commerce or of the mails to offer to sell or offer to buy
5 through the use or medium of any prospectus or otherwise any security, unless a
6 registration statement has been filed with the Commission as to such security, or
7 while the registration statement is the subject of a refusal order or stop order or (prior
8 to the effective date of the registration statement) any public proceeding or
9 examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
11 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
12 binds the following who receive actual notice of this Final Judgment by personal
13 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
14 attorneys; and (b) other persons in active concert or participation with Defendant or
15 with anyone described in (a).

16 **IV.**

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
18 Defendant is permanently restrained and enjoined from violating, directly or
19 indirectly, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by making use of
20 the mails or any means or instrumentality of interstate commerce to effect any
21 transactions in, or to induce or attempt to induce the purchase or sale of, any security,
22 without being registered as a broker and/or dealer pursuant to Section 15(b) of the
23 Exchange Act [15 U.S.C. § 78o(b)].

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
25 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
26 binds the following who receive actual notice of this Final Judgment by personal
27 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
28 attorneys; and (b) other persons in active concert or participation with Defendant or

1 with anyone described in (a).

2 **V.**

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to
4 Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and (5)],
5 and Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Defendant is
6 permanently restrained and enjoined from, (a) directly or indirectly, including, but not
7 limited to, through any entity owned or controlled by Owen, soliciting any person or
8 entity to purchase or sell any security; and (b) directly or indirectly, including, but not
9 limited to, through any entity owned or controlled by Owen, participating in the
10 issuance, purchase, offer, or sale of any security, provided, however, that such
11 injunction shall not prevent Owen from purchasing or selling securities for his own
12 personal account through a Commission-registered broker-dealer.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
15 binds the following who receive actual notice of this Final Judgment by personal
16 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
17 attorneys; and (b) other persons in active concert or participation with Defendant or
18 with anyone described in (a).

19 **VI.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
21 to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of
22 the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited permanently from
23 acting as an officer or director of any issuer that has a class of securities registered
24 pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to
25 file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

26 **VII.**

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
28 Defendant is jointly and severally liable with Defendants TKO Farms, Inc. and

1 Agravitae, Inc. for disgorgement of \$5,746,813.44, representing net profits gained as
2 a result of the conduct alleged in the Complaint, together with prejudgment interest
3 thereon in the amount of \$1,261,939.77, and Defendant shall pay a civil penalty in the
4 amount of \$5,746,813 pursuant to Section 20(d) of the Securities Act and Section
5 21(d)(3) of the Exchange Act. Defendant shall satisfy this obligation by paying
6 \$12,755,566.21 to the Securities and Exchange Commission within 30 days after
7 entry of this Final Judgment.

8 Defendant may transmit payment electronically to the Commission, which will
9 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
10 be made directly from a bank account via Pay.gov through the SEC website at
11 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
12 check, bank cashier's check, or United States postal money order payable to the
13 Securities and Exchange Commission, which shall be delivered or mailed to

14 Enterprise Services Center
15 Accounts Receivable Branch
16 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

17 and shall be accompanied by a letter identifying the case title, civil action number,
18 and name of this Court; Kenneth Dewayne Owen as a defendant in this action; and
19 specifying that payment is made pursuant to this Final Judgment.

20 Defendant shall simultaneously transmit photocopies of evidence of payment
21 and case identifying information to the Commission's counsel in this action. By
22 making this payment, Defendant relinquishes all legal and equitable right, title, and
23 interest in such funds and no part of the funds shall be returned to Defendant.

24 The Commission may enforce the Court's judgment for disgorgement and
25 prejudgment interest by using all collection procedures authorized by law, including,
26 but not limited to, moving for civil contempt at any time after 30 days following entry
27 of this Final Judgment.
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1 The Commission may enforce the Court's judgment for penalties by the use of
2 all collection procedures authorized by law, including the Federal Debt Collection
3 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
4 violation of any Court orders issued in this action. Defendant shall pay post
5 judgment interest on any amounts due after 30 days of the entry of this Final
6 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
7 together with any interest and income earned thereon (collectively, the "Fund"),
8 pending further order of the Court.

9 The Commission shall petition this Court and propose a plan to distribute the
10 Fund subject to the Court's approval. Such a plan may provide that the Fund shall be
11 distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-
12 Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any
13 distribution of the Fund and the Fund may only be disbursed pursuant to an Order of
14 the Court.

15 Regardless of whether any such Fair Fund distribution is made, amounts
16 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
17 penalties paid to the government for all purposes, including all tax purposes. To
18 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
19 reduction of any award of compensatory damages in any Related Investor Action
20 based on Defendant's payment of disgorgement in this action, argue that he is entitled
21 to, nor shall he further benefit by, offset or reduction of such compensatory damages
22 award by the amount of any part of Defendant's payment of a civil penalty in this
23 action ("Penalty Offset"). If the court in any Related Investor Action grants such a
24 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
25 the Penalty Offset, notify the Commission's counsel in this action and pay the amount
26 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
27 Commission directs. Such a payment shall not be deemed an additional civil penalty
28 and shall not be deemed to change the amount of the civil penalty imposed in this

1 Judgment. For purposes of this paragraph, a “Related Investor Action” means a
2 private damages action brought against Defendant by or on behalf of one or more
3 investors based on substantially the same facts as alleged in the Complaint in this
4 action.

5 **VIII.**

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
7 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
8 Final Judgment.

9 **IX.**

10 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
11 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
12 and without further notice.

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14 IT IS SO ORDERED.

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16 Dated: SEPTEMBER 16, 2025

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18 HON. ANNE HWANG
19 United States District Judge
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